RAJYA SABHA

Tuesday, the 24th November, 1987/ 3 *Agrahayana,* 1909 *(Saka)*

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Export garments

241. DR. MOHD. HASHIM KIDWAI: t

SHRI M. KADHARSHA:

Will the Minister of TEXTILES be pleased to state:

(a) what is the total value of garments exported from India during the last three years;

(b) whether there has been a decrease or increase in export of garments during the above period;

(c) what are the names of the countries to which garments were exported; and

(d) what steps have been taken by Government to encourage export of garments?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA); (a) to (d) A statement is laid on the Table of the House.

Statement

The value of garment exports during the last three years was as under:—

(Rs. in Croies)

1984-85	943
1985-86	1096.14
1986-87	1503-68

(Source : Apppre' Expon Council) Promotion

† The question was actually asked on the floor of the House by Dr. Mohd. Hashim Kidwai. 1396 RS—1.

It will be observed from the figures above that exports of garments during the last three years have shown a consistently rising trend.

The major importers of Indian Garments have been E.E.C. Member States, U.S.A., U.S.S.R., Canada, Japan, Switzerland, Sweden, etc.

The following steps have been taken to boost the export of germents:—

1. Sophisticated garment manufacturing machines not manufactured indigenously are allowed to be imported on OGL. As many as 119 machines for garment and hosiery manufacture have been placed under OGL, 97 of them enjoying concessional import duty.

2. Revised rates of CCS have been announced effective from 1st July 1986. These rates have been announced for a period of 3 years and are generally higher than before. Slow moving items of garments on which CCS was not admissible when exported to quota countries have been made eligible for CCS.

3. Cotton garments and textiles have been brought under the scheme of Contract Registration with a view to providing an element of certainty to exporters in the matter of CCS.

4. The Fashion Technology Institute in Delhi for education, research and training in the areas of fashion design for .garment manufacture has been set up.

5. The duty drawback rates for cotton garments have been increased to 10 per cent.

6. The number of days of pre-shipment credit has been increased from 90 days to 180 days. The rate of interest has also been reduced by 2.5 per cent.

7. Many items of raw material/fabrics re permitted to be imported under Duty Free REP Scheme and the Import-Export Pass Book Scheme. 8. The scope of Advance Licensing and Pass Book Schemes has been widened and aprocedure simplified.

9. Under 100 per cent Export Oriented Units and Free Trade Zones Scheme, faci lities for liberal import of capital goods and raw materials alongwith many other concessions are given.

10. Government has been giving liberal assistance for sponsoring and funding pro-motional activities such as market studies, buyer-seller-meets, participation international fairs and exhibitions.

11. Permission for use of foreign brand names for domestic sales has been approved in the case of readymade garments with the stipulation that only indigenous fabrics are used; at least 75 per cent of the production is exported and no royalties are allowed on domestic sales.

12. The agency commission has been increased and rules for blanket per mis sion for foreign exchange have been sirbs-tantially liberalised.

DR. MOHD. HASHIM KIDWAI; Sir, 1 would like to know if the Government will explore new areas for the export of garments-for instance, to Addis Ababa and the Gulf countries.

SHRI RAM NIWAS MIRDHA; Sir. Government is making efforts to see that our exports are diversified, not only to Gulf countries but to many countries which are not at present governed by the quota agreement. We are making very concerted efforts in this direction. Just to give one example, the recent long-term quota policy that we have announced has given more concessions than before to exporters to non-quota countries and nonquota items to quota countries. Our aim is to explore these areas because the quota utilization has reached almost a saturation point and unless we diversify our export effort, we would not be able to make the progress that we want to make.

DR. MOHD. HASHIM KIDWAI: Sir, I would like to know the details of the agency commission and rules for blanket permission for foreign exchange which have been substantially liberalised.

SHRl RAM NIWAS MIRDHA; Sir, I do not have these details with me now. 1 have mentioned the twelve steps that the Government have taken to boost the export of garments and the last point is that the agency commission has been increased and rules for blanket permission for foreign exchange have been substantially liberalised. I do not have the details now. I will send them to the hon. Member.

SHRI M. KADHARSHA; Sir, the hon. Minister has proved his mettle more as Rajasthani businessman than as a custodian of Textile Ministry. According to the Multi-Fabric Agreement, Government should only administer the quotas; they are not supposed to sell them. WheflSas the Government is now indulging in profiteering. They are making more than Rs. 100 crores by announcing the new Quota policy. Now many industrial houses and multinationals like Tatas, Birlas and Singhanias are entering gar-ment export. So, will not the new policy hamper the activities of the small exporters who are doing more than 90 per cent of the garment exports? I would like to know from the honourable Minister, even though there is an upward trend in garment exports, what is the share of India in the global export of garments.

SHRI RAM NIWAS MIRDHA: Sir. in spite of the great boost that we have been able to give to garment exports—I will start with the last question first—out-share in the global trade, international trade, is very little. That is why the new policy that has been envisaged aims at increasing our exports substantially. As I said earlier, we have reached almost a saturation point so far as our quotas are concerned. So we want to explore other areas so that we can give a boost to this.

Sir, the honourable Member wants to know why we have introduced the open tender system. It is not a question of selling or making money. This system, atong with other new innovations that we have brought about in our policy, will be enabling new entrants in the area. Up till now you had to be registered one or two years before you could come and compete and get a quota. The firms which are already in the export business got themselves registered through *benami*

names or other names in 1984 which was the date for getting the quota. We have removed that restriction and just 15 per cent of the quota reserved for superfast categories—which means 5 per cent of our total exports—is what we are having for, what we call, the open tender system, which means a new comer, if he is pushing eiiough and he wants to enter the trade, has now got an opportunity todoso. There are 8,000 exporters in the country registered with the AEPC, and I do not think there will be any possibility of cornering the quotas through the open tender system.

SHRl NIRMAL CHATTERJEE: Sir. what I am interested to know, apart from what he has pointed out, is; what is the cost of this additional export in terms of foreign exchange and in terms of loss to the exchequer? I list it as the concessions that you are giving. One is the machines that you are allowing to import. What is the import value of those 119 machines? Rates of CCS have been increased. What is the cost to the exchequer because of that? Then, duty drawback rates for cotton garments have been increased by 10 per cent. What is the cost to the exchequer? The rate of interest for pre-shipment credit has also been reduced. What is the loss to the exchequer? Under the Duty Free REP Scheme and the Import-Expori Pass Book Scheme, what is the loss to the exchequer?

MR. CHAIRMAN: What is the total loss to the exchequer?

SHRI NIRMAL CHATTERJEE: Exactly! These are the items. So, in order to have an addition to exports, how much additional foreign exchange are you consuming and what is the total cost to the exchequer?

SHRl RAM NIWAS MIRDHA; Sir. some of the schemes that I have mentioned here are general schemes which have been given to all exporters. They are not special for garment exporters. Fo, example, the CCS rate is governed by the Ministry of Commerce. The manufacturers have to give them a big break-up of their cost and say in what way they are disadvantaged in their international competition, and the Commerce Ministry has a very elaborate procedure of judging, going into the cost element, and then allowing the CCS. They would know it, not our Ministry. As regards export finance, that is handled by the Ministry of Finance. They have given this concession and so they would[1] be able to say about it. So, 1 am not in a position to say what the total is. But I can assure, through you, Sir, the honourable Member and the House, that these con cessions are very small compared to the boost that we have got in tha export market, and we have earned much larger amounts, any number of times over the concessions that we have given in foreign exchange.

SHRI NIRMAL CHATTERJEE;The foreign exchagne part, would youmen tion? The machines which havebeen imported, are you not aware of?

MR. CHAIRMAN: He is only Minister of Textiles. You are confusing with the old position when the Commerce Minister was in charge of both. He is only Textiles Minister. He can tell you only about textiles.

SHRI A. G. KULKARNI; Sir. instead of taking a doctrinaire view of the exports of garments or whatever you call it, we have value added products, and this is the first time that the Government has evolved very pragmatic and rational policy on exports, particularly on the exports of textiles. Having a doctrinaire view, large and small countries need money. For that purpose. T would request the friends not to push the Minister.. .

MR. CHAIRMAN: Ask your question.

SHRI A. G. KULKARNI : in a corner whereby the progress the country is thwarted. My question to the Minister is this. Exports, particularly of textiles, have risen during the last ten years to a staggering figure because of the various concessions given by the Finance Ministry and the Commerce Ministry and the policy followed by the Textiles Ministry. But on only one point (

want a categorical reply from the Minister. All the countries, whether it is. Korea or Taiwan or Hong Kong or Pakistan or Brazil, they are utilising their cotton—some have no cotton, but at least Pakistan and Brazil have cotton—to export the product in a value-added system, that is, ready-made garments, cotton yarn and different types of cloth varieties. Will the Minister please assure us that this will be the corner-stone of the policy of the Textile Ministry that as the price of cotton will nullify all these efforts of having competitive exports and aggressive exports in the foreign countries, cotton will be minimised and its value-added products will be encouraged to be exported?

SHRI RAM NIWAS MIRDHA: This is exactly the policy the Government is following. Cotton has a very important place in our economy. Our policy is. to give it prime importance in all our schemes so far as textile promotion is concerned, exports as well as consumption. That is why the bulk of the production in the country, the bulk of exports are accounted for by cotton fabrics, cotton garments etc. But this year the cotton production is less than what it was last year because of the drought conditions in most of the countries and other reasons. We have, even a few months back, stopped export of cotton, raw cotton, because the price has been rising. It was affecting the yarn prices. It was affecting handlooms and powerlooms. In view of the present scarcity situation in the country, we do not propose as of now to export any cotton.

SHRI B. SATYANARAYAN REDDY; Mr, Chairman, Sir, although export of garments during the last three years has shown a constantly rising trend, but it is not encouraging and unsatisfactory. I would like to know from the Minister about this, The hon'ble member has said that the major imports of Indian garments have been the EEC member-States, the USA, the USSR, Canada, Japan. Switzerland etc. But I would like to know why there is no import of Indian garments by the far-eastern countries, whether no efforts have been made by the authorities concerned or those countries are not willing to import any Indian garments.

SHRI RAM NIWAS MIRDHA: Su, 1 admit that up till now we were so much involved in securing quotas, administering quotas in our garments with various countries that our marketing effort in non-quota countries has not been to the extent we would have wished it. But since we have reached almost a saturation point, almost 100 per cent utilisation of the quota, our future lies in going to non-quota countries. The suggestion of the hon. Member is very well taken in this respect, and our present policy is exactly to do what the hon. Member has suggested.

PROF. C. LAKSHMANNA; Mr. Chairman, Sir, there has been an increase from Rs. 1,096 crores to Rs. 1.503 crores. It is a good thing. I would like to know from the Minister how much is the component of the handloom and Khadi fabrics in terms of exports because that alone can guarantee employment for those who are engaged in handloom and Khadi industries. Has it been commensurate with the rise in the export. of textiles over a period of one year? It not, what efforts are being made by the Government to encourage export of these fabrics from the handloom and khadi?

SHRI RAM NIWAS MIRDHA; As I said the bulk of the exports are in cotton and some of it is from the handloom sector. Khadi has not picked up to that extent that we can export. There cannot be much standardisation, there cannot be much production of standardised items in the khadi sector. But the handloom sector in our country is very widespread, very varied, very well organised in cooperative and other institutions and some of its exports are from the handloom sector which gives a lot of employment to the weavers.

SHRl N. E. BALARAM; For the export of some textile items, it is repor ted in the press that an amount equal to 75 per cent of the cost of the product is being subsidised by the Government. I would like to know from the Minister whether this report is cor rect or not.

SHRl RAM NIWAS MIRDHA: I don't know if by the subsidy the hon. Member means all the concessions that we have given. I really do not know what ihe hon. Member means by subsidy. We give subsidy to handloom products...

SHRI N. E. BALARAM: I know subsidy means compensatory schemes, replacement schemes, all the concessions that we are giving.

SHRI RAM NIWAS MIRDHA: It is much less than what the hon. Member suggests:

SHRI N. E* BALARAM; According; to the Press report an amount equal to 75 per c;nt of the cost of the product was given as subsidy by the Government. My question is whether that report is correct or not.

SHRI RAM NIWAS MIRDHA; If you send me the report, I will look into it .and see what the report consists of.

SHRI GHULAM RASOOL MATTO: It is a very good thing that from Rs. 143 crores in 1984-85 our exports have come Up to Rs. 1,503 crores. Sir, I had an occasion to visit certain countries this year. I, myself saw—as Mr. Kulkarni has correctly pointed out—Korea. Taiwan, Hong Kong and other places which are the biggest exporters as compared to our country. I myself saw a strange phenomenon—a Bangladeshi selling readymade garments in Hong Kong. That also I saw myself. I met that Bangladeshi gentleman. ln Canada, we came across a store where we had gone to visit. We were very happy to find that one of the garments that were very much in demand there was made in India. So, we were gratified. When we talked to the Manager of the firm he said that our efforts are not commensurate with what our potential is. I asked what could be done in that connection. He said three months before the start of the seasson we should have our exhibition in that country showing the latest designs of our garments. That way they will be able to book orders on the spot and we will also benefit.

In the twelve programmes that thehon. Minister has stated, there is one programme under item No. 10-participatini: in international fairs and exhibitions. Participation is one thing but my submission is that the Government should organic garment fairs in such countries before the onset of the season in order to boost exports.

SHRI RAM NIWAS MIRDHA: The Apparel Export Promotion Council undertakes a lot of such programmes. Item No. 10 in my reply mentions that the Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, buyers-sellers meet, participation in international fairs and exhibitions. We participate in a large number of exhibitions and we send delegations also to various countries. The Apparel Export Promotion Council which consists perhaps of promotors actually, gives them very liberal assistance to do whatever promotion they want to do, including exhibition in other countries.

श्री शरद यादव: मैं एक पहले पूछे गये सवाल को साफ कर के पूछना चाहता हूं। वस्त्रों का जो निर्यात हो रहा है उस में परसेंटेज सब से ज्यादा हथ करघे वालों का हो रहा है और आप को मशीन का कपड़ा दुनिया में कहीं नहीं बिकता, भले ही आप 21वीं सदी की बातें कर रहे हों। मैं फिर निवेदन करना चाहता हूं कि बुनकरों का, हाथ से कपड़ा बुनने वालों का बहुत बुरा हाल है और दुनिया के बाजार में हाथ का बना कपड़ा ही बिकता है और आंकड़े दिखाते हैं कि उन का 900 करोड़ से लकर 1500 करोड़ रुपये तक का निर्यात बढ़ा है। मैं मंत्री जी से निवेदन करना चाहता हूं कि अभी जो नयी कपड़ा नीति आयी है उस के चलते हाथ करघा उद्योग पर बरा असर पड़ा है। इस मामले को क्या वह देखने का कष्ट करेंगे ?

श्री राम निवास मिर्धा: यह सही नहीं है कि नयी कपड़ा नीति से हाथ

करघा उद्योग को धक्का लगा है क्योंकि जितना उत्पादन हैंडलूम सेक्टर का बढ़ा है वह काफी तादाद में है और इस लिये हम कह सकते हैं कि हैंडलूम सेक्टर नयी कपड़ा पालिसी आने के बाद और ज्यादा मजबूत हुआ है और सरकार नयी-नयी योजनायें बना रही है इस लिये कि हाथ करघा उद्योग बड़े क्योंकि हमारे देश के लाखों व्यक्ति इस में जुड़े हुये हैं और हम ने उन के लिये कई योजनायें बनायी हैं। प्रश्न पूछा जाय तो मैं बतला सकूंगा कि हम ने उन के लिये क्या-क्या किया है और भविष्य में भी हम करते रहेंगे।

श्री शरद यादव: मैं हाथ करघा मजदूरों के बीच में कई जगह घूमा हूं और मैं ने देखा है कि वे तकलीफ में हैं। उन में हाहाकार मचा हुआ है। मैंने बात दूसरे पूछी थी कि उन का उद्योग चौपट हुआ है, उन की आर्थिक स्थिति बिगड़ी है, सूत की सप्लाई से लेकर उन की तमाम दिक्कतें बढ़ी हैं। उनकी शिकायतें जो मैं सुनता हूं उन के बारे में मैं पूछ रहा हूं।

श्री राम निवास मिर्धा: परसों मैं वाराणसी गया था वहां 20 हाथ करघा उद्योगों को मैंने देखा। मैं अच्छी तरह से आश्वस्त हूं कि सरकारी नीतियों की वजह से हाथ करघा उद्योग मजबूत बन रहा है और भविष्य में हम सब कुछ करेंगे कि जिससे वह और ज्यादा मजबूत बने।

PROF. B. RAMACHANDRA RAO; Mr. Chairman, it is really heartening to note that the export in garments has increased phenomenally. However, this industry engages a large number of people and, therefore, employment opportunities an created. My question is: will the Government reserve 15 per cent of exports for the new-eomers. 1 wonder whather there is any reservation for the cooperative; system because in the cooperative sector there is no exploitation by the rich multi-nationals and rich businessmen who have entered into this garment ex-industry. May I know whether nyed cooperatives or handicapped societies would be given any preference in this matter?

SHRI RAM NIWAS MIRDHA; Sir, if handloom cooperative societies are manufacturing garments themselves, then, they would get preference and some additional advantage along with other manufacturer exporters. There are two classes of exporters—one *is* merchant exporter who does not do much of manufacture •himself bat i: will be done by others and then ho exports. Up till now he was getting bulk of the quotas and all that. Now in the new policy if the cooperative society or even the State Corporations are manufacturing such things, we are giving them special treatment.

MR. CHAIRMAN: Next Question.

242. *[The questioner {Shri V. Narayanasamy) was absent. For answer,* vide *Cols.* 30 *and* 31 infra],

*243. *[The questioner (Shri Kalpnath Rai and Shrimati Sudha Vijay Joshi) were absent. For answer, vide Col:* 31 *and* 32 infra] .

नवयुवकों में बेरोजगारी

*244. **श्रीमती रेणका चौधरी:** क्या श्रम मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि देश में बेरोजगार नवयुवकों की संख्या दिन-प्रतिदिन बढ़ती जा रही है;

(ख) अप्रैल, 1987 तक रोजगार चाहने वाले बेरोजगार नवयुवकों की संख्या कितनी थी और क्या सरकार ने बेरोजगार युवकों की प्रतिवर्ष बढ़ती संख्या के कारणों के संबंध में कोई मूल्यांकन किया है; और

(ग) यदि हां, तो उसका ब्यौरा क्या है?

सूचना और प्रसारण मंत्रालय के राज्य मंत्री (श्री अजीत पांजा): (क) से (ग) नवयुवकों में बेरोजगारी संबंधी निश्चित सूचना उपलब्ध नहीं है। तथापि, 7वीं पंचवर्षीय योजना